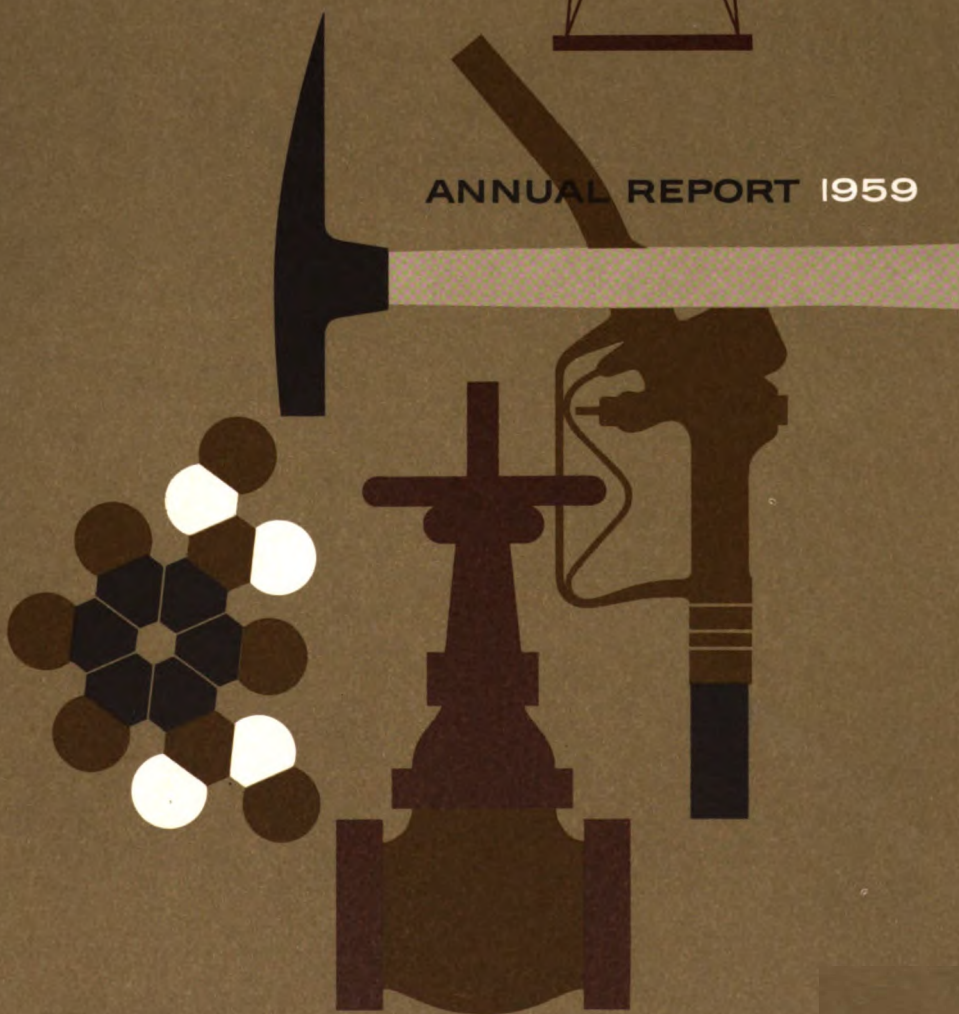


Standard Oil Company of California



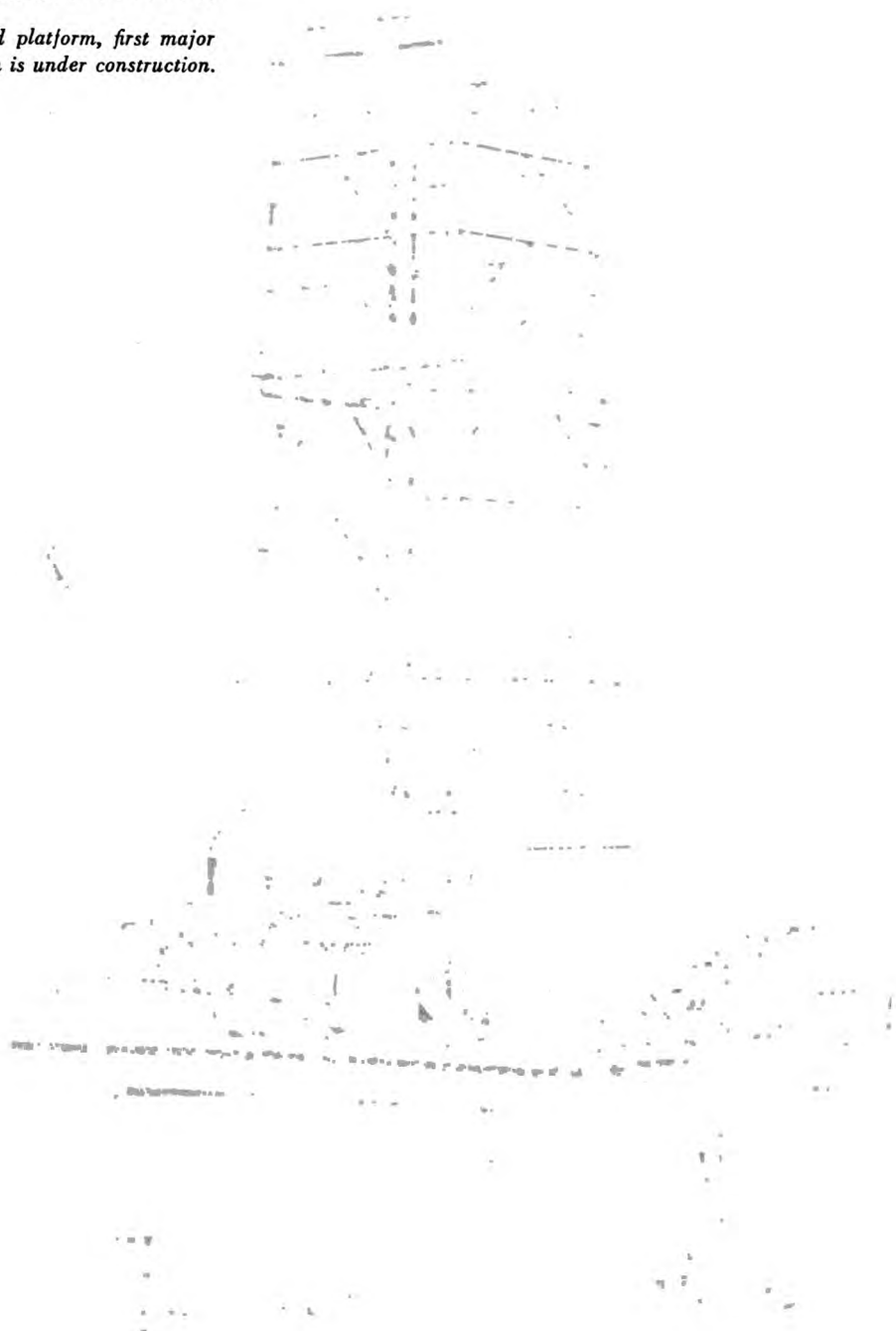
ANNUAL REPORT 1959



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Illustration on this page is of the Summerland platform, first major California offshore discovery. A second platform is under construction.



Standard Oil Company of California

Directors and Officers

R. G. FOLLIS *Chairman of the Board, Director*
T. S. PETERSEN *President, Director*
HILLYER BROWN *Vice-President, Director*
ASA V. CALL *Director*
G. A. DAVIDSON *Vice-President, Director*
T. L. LENZEN *Vice-President, Director*
GAGE LUND *Vice-President, Director*
ATHOLL McBEAN *Director*
O. N. MILLER *Vice-President, Director*
ROBERT W. MILLER *Director*
G. L. PARKHURST *Vice-President, Director*
PAUL PIGOTT *Director*

W. H. BEEKHUIS *Vice-President*
K. H. CRANDALL *Vice-President*
W. W. DAVISON *Vice-President*
P. L. FAHRNEY *Vice-President*
F. M. JAYNE *Vice-President*
G. J. O'BRIEN *Vice-President*
E. R. PETERSON *Vice-President*
G. M. FOSTER *Secretary*
H. D. ARMSTRONG *Treasurer*
W. K. MINOR *Comptroller*

Highlights

FINANCIAL

	1959	1958
<i>Net Income — Western Hemisphere</i>	\$ 142,359,382	\$ 137,512,948
<i>Eastern Hemisphere</i>	111,239,679	120,245,871
<i>Total</i>	\$ 253,599,061	\$ 257,758,819
<i>Cash Dividends</i>	\$ 126,448,772	\$ 126,448,772
<i>Capital and Exploratory Expenditures</i>	\$ 399,992,000	\$ 343,306,000
<i>Stockholders' Equity</i>		
Total Assets	\$2,578,296,000	\$2,451,069,000
Liabilities	458,289,000	460,859,000
Stockholders' Equity	\$2,120,007,000	\$1,990,210,000
Additional Equity in Foreign Affiliates (principally Eastern Hemisphere)	450,989,000	447,825,000
Combined Equity — at book value	\$2,570,996,000	\$2,438,035,000
<i>Dollars per Share (63,224,386 shares)</i>		
Net Income	\$4.01	\$4.08
Cash Dividends	\$2.00	\$2.00

OPERATING

	Barrels Daily	
<i>Gross Production of Crude Oil and Natural Gas Liquids</i>		
Western Hemisphere	397,600	402,300
Interest in Eastern Hemisphere	486,400	452,600
Total World-Wide	884,000	854,900
<i>Refinery Runs of Crude Oil</i>		
Western Hemisphere	504,300	509,000
Interest in Eastern Hemisphere	284,100	272,700
Total World-Wide	788,400	781,700
<i>Sales of Petroleum Products</i>		
Western Hemisphere	531,500	513,600
Interest in Eastern Hemisphere	256,300	251,500
Total World-Wide	787,800	765,100

Annual Report to the Stockholders 1959

Company operations in production, manufacturing and marketing were at relatively high levels in 1959, and the total of earnings was close to that of the preceding year. Measured against the standard set by the peak year of 1957, the Company's earnings compared favorably with those in the oil industry.

Net income for 1959 was \$253,599,061, or \$4.01 per share, compared with \$4.08 per share in 1958. The net earnings in 1959 were derived \$2.25 a share from operations in the Western Hemisphere, an increase of 3½ per cent, and \$1.76 from the Eastern Hemisphere, a decrease of 7½ per cent.

It should be noted that net income reported by the Company does not reflect earnings of affiliates until such earnings are paid to the Company in dividends, and that affiliates retained part of their 1959 earnings for reinvestment in their business. The Company's interest in these retained earnings amounted to 9 cents a share.

The major problem which confronted the oil industry in 1959 was an oversupply of both crude oil and products, with its attendant weakening of prices. Competition was intense for both domestic and foreign markets, and sellers were frequently forced to make sizable concessions to retain sales volumes.

In these circumstances, the Company's emphasis on maximum economy and productivity of operations aided materially in maintaining competitive position. This policy continues to assist importantly in offsetting problems of price and oversupply.

World-wide surpluses resulted from discovery and development of new sources of crude oil in foreign countries. Moreover, an over-

supply of tanker tonnage depressed shipping rates, so that foreign crudes became available at reduced prices in a number of areas.

Government oil import restrictions limited the amount of foreign crude oil and products which could be marketed in the United States, further contributing to the competitive pressures overseas.

It is likely that the world-wide imbalance of supply and demand which was prevalent in 1959 will continue to be a problem for some time. Improvement, however, is in evidence in the domestic market, and it is the view of the management that long-term prospects of the industry and the Company continue to be good.

Consumption of petroleum products is growing rapidly in the Free World. Oil, furthermore, is supplying an ever-growing proportion of total world energy requirements. Demand forecasts for the coming year are for increases of 5 per cent in the United States and an average of 7 to 8 per cent in Free Foreign countries.

* * *

In pursuit of its basic objective of planning for future growth, the Company in 1959 expended \$400,000,000 for capital and exploratory purposes. This compared with expenditures of \$343,000,000 in the preceding year. Of the total, \$263,000,000 was for exploration and for development of established oil holdings, and \$137,000,000 for other branches of the Company's operations, namely refining, marketing and transportation. The expenditures program in 1960 is expected to remain at about the same level as in 1959.

More than 90 per cent of funds required for the 1959 expenditures program was provided

Note: References to "the Company" include activities of companies over 50% owned and controlled. The term "affiliate" refers to a company in which the interest held is approximately 50% or less.

by cash generated from operations. At year's end, there was \$188,600,000 in cash and government securities on hand for the consolidated operations of the Company.

The Company's domestic reserves of crude oil, natural gas liquids and natural gas — life-blood of an integrated company — were the highest in history at the close of 1959. Exploration and development programs in the Western Hemisphere again resulted in addition of more than two barrels of oil for every barrel produced. It is noteworthy that this two-for-one ratio of additions versus production has been maintained, on an average, throughout the past decade.

Increases in the Company's reserves of natural gas have enhanced its position as a supplier of this valuable fuel. Large volume sales of gas presently await conclusion of various contract arrangements and approval of Government authorities. New fields in the southwest United States and in Canada have now been developed to the point where they are capable of substantial output, and the Company's natural gas production is expected to increase materially in the coming year.

The Company's world-wide gross production of crude oil and natural gas liquids, including its share of affiliates' production in the Eastern Hemisphere, amounted to 884,000 barrels daily. The comparable total for the preceding year was 854,900 barrels a day.

New developments in the Bay Marchand field, in the Gulf Coast offshore area of Louisiana, confirmed its potential as one of the major oil fields in the United States. It is one of the largest known salt dome structures, with many areas of production being developed at intervals within and around a circumference of more than 36 miles.

The Company, which made the original discovery at Bay Marchand some years ago, holds all but a small percentage of the acreage and reserves in this field. Development drilling is continuing.

Crude oil discoveries of particular interest and value were brought in onshore and offshore in Louisiana and Texas, and onshore in California and in Canada.

In Alaska the Company proceeded with development of the joint operation in the Swanson River field, which is yielding the first commercial oil production in the new state.

Development of the Company's joint venture leases in the California offshore area proceeded with encouraging results.

Two new refineries are approaching completion. One, on the principal Hawaiian island of Oahu, is wholly owned. The other, at Saint John, New Brunswick, is jointly owned with the Irving interests of Eastern Canada, long established marketers in that area.

* * *

During 1959 dividends and other income from Eastern Hemisphere operations totaled \$111,240,000 after taxes, as against a figure of \$120,246,000 for 1958. The Company's equity in 1959 earnings of foreign affiliates, principally those in the Eastern Hemisphere, exceeded dividends received from them by \$5,577,000. The Company's share interest of these affiliates' assets, at their book value, now is \$450,989,000 greater than total cost of the investment as carried on the Company's books. This excess reflects primarily the accumulation by the affiliates of undistributed earnings from preceding years.

A highlight of Eastern Hemisphere operations was discovery of oil by Caltex on a concession jointly held by the Company in Libya. The Company has extensive interests in concession holdings in this country, which shows promise of becoming an important producing area. Development of this new and alternative source of oil supply for the Free World has considerable value from a security as well as an economic standpoint.

Early in 1959 the Government's oil import controls, previously voluntary, were made mandatory by order of the President. The Company has recognized a need for regulation of imports. However, the control program, as currently administered, is adversely affecting the Company's operations and limiting its opportunities to repatriate returns from foreign investments.

Historic importers such as the Company have been forced to make large reductions from their past import levels, to compensate for quotas granted to domestic refiners who cannot in fact process imported oil, but use their quotas for trading purposes. As an instance of the impact of the program, it has had serious effects in Venezuela, in the Boscan field, where the Company's production of asphaltic crude oil has been cut back by more than a third.

* * *

The Federal gasoline tax was increased by one cent a gallon in 1959. The national average of state and Federal taxes on this fuel is now about 10 cents a gallon, a burden that has no precedent in taxation of other necessities of life.

The tax increase, imposed as a stop-gap solution to the financing problems of the Federal Highway Program, self-evidently benefits the entire economy and population, yet highway users alone are singled out to shoulder the tax load.

A proposal for an additional half-cent a gallon increase in the Federal tax is expected to be debated in the 86th Congress, now in session. Stockholders are urged to oppose vigorously

this measure and any extension of the previous one-cent increase, now scheduled to expire on June 30, 1961.

* * *

The Federal antitrust suit against the Company and six other West Coast oil companies was settled in 1959. To all intents and purposes the Government lost the case in pretrial hearings, following which the Court announced it would not grant the Government's plea for divorcement of defendants from their retail marketing facilities.

Although confident of ultimate exoneration, the Company entered into and completed negotiations for a consent decree at the Court's urging, in order to avoid further costly and protracted litigation. It is significant that the consent judgment expressly stated the Company does not in any way acknowledge that the Government's charges of combination and conspiracy were ever justified. Nor did the decree oblige the Company to make any material change in the nature of its retail operations.

* * *

During the year E. J. McClanahan, a director and vice-president of the Company, retired after 47 years of service. Vice President O. N. Miller was elected to succeed Mr. McClanahan on the Board of Directors.

The Company's ability to cope with the perplexing problems that confronted the oil industry in 1959 is due in a large degree to the energy and initiative of its employees. Their invaluable contribution to the Company's welfare is sincerely appreciated by the Directors and management.

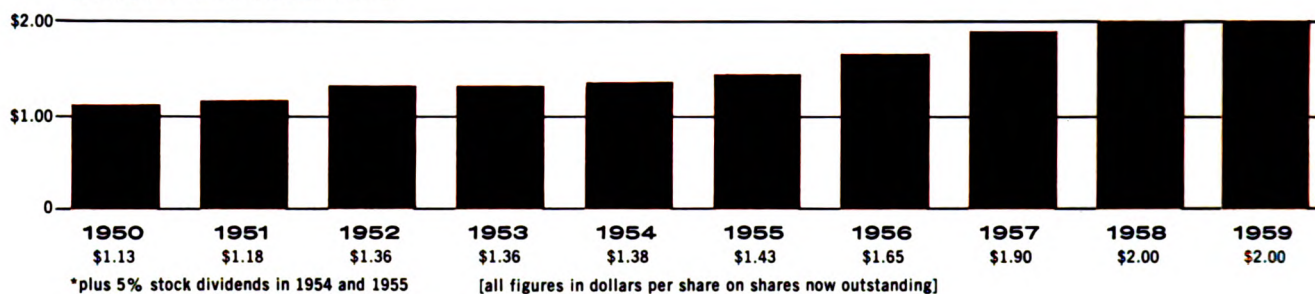
By Order of the Board of Directors

T. S. PETERSEN, President

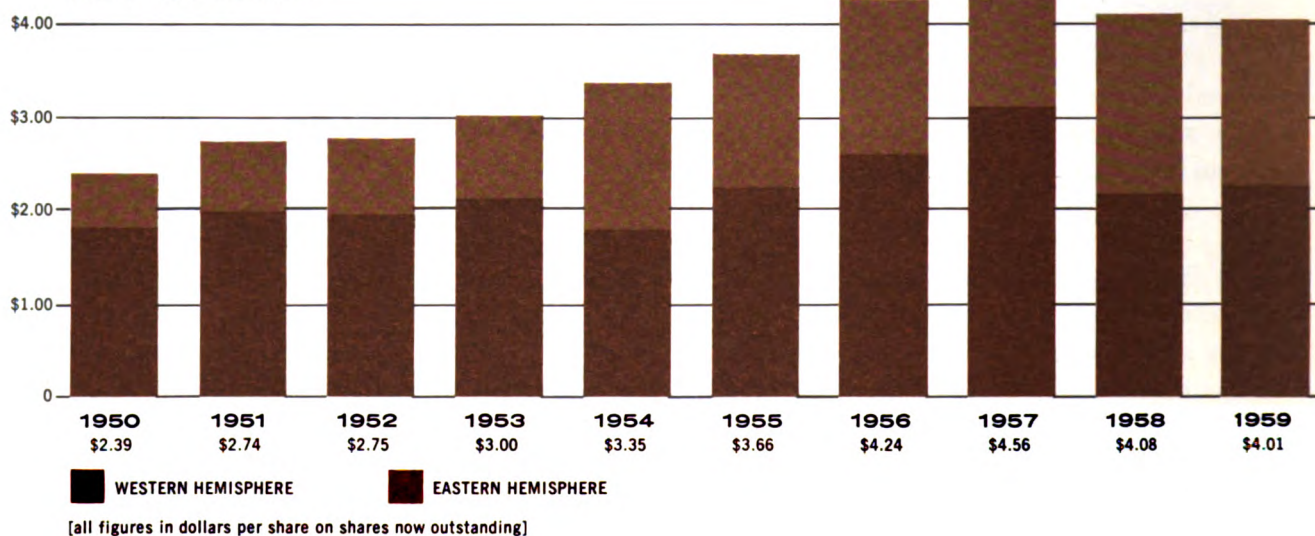
R. G. FOLLIS, Chairman of the Board

March 9, 1960

CASH DIVIDENDS *



NET INCOME



1959 REVENUES AND THEIR USES

REVENUES

[all figures in millions of dollars]

\$1,909 Million [Including \$230 Million Excise Taxes on Petroleum Products and Merchandise]

USES

Taxes: Income, Property, Excise, etc.

Day to Day Needs: Costs of Products Sold and Other Operating Expenses, etc.

Dividends to Stockholders

Retained Earnings

Depreciation and Other Charges

\$317

\$1,102

\$126

\$127

\$237

Capital and Exploratory Expenditures Financed from Revenues and \$36 Million from Other Sources

\$400

Review of Operations * Western Hemisphere

Standard Oil Company of California

EXPLORATION AND PRODUCTION

The year 1959 marked the oil industry's Centennial, an event that underscored dramatic progress in the technology of finding and producing oil. From the relatively primitive processes of finding a surface oil seep and probing it with a shallow well, exploration and development have evolved into costly and highly complex activities entailing major outlays of time, money and human ingenuity.

With the industry entering its second century, the demands upon these three vital resources are certain to rise even higher. The element of time, however, begins to take on utmost importance, as oil requirements multiply steadily.

Once produced, oil cannot be replaced overnight, no matter how much money and manpower may be brought to bear; discovering and developing an oil field takes years. If we are to meet tomorrow's energy needs and maintain our reserves for national security, we must take full advantage of the time we have available—

now — to seek and find greater and greater volumes of oil. Tomorrow will be too late.

This long-range view of petroleum supply requirements, proved valid repeatedly despite intervals of temporary oil surplus, has been the guiding principle behind the Company's planning of exploration and development expenditures for many years.

Exploratory efforts in 1959 resulted in discovery of 26 oil or gas fields, along with a number of new producing zones in known fields.

Exploration, production or both activities were carried on in 21 states, in seven Canadian provinces or territories, and in 11 countries of Latin America.

Gross production of crude oil and natural gas liquids in the Western Hemisphere was 397,600 barrels daily, compared with 402,300 barrels a day in 1958. Production in the United States and Canada increased by 6 per cent, while production elsewhere in the Western Hemisphere, primarily in Venezuela, declined 34 per cent because of U.S. oil import restrictions.

Western Hemisphere activities are carried on by the principal subsidiaries listed below, in the areas noted:

Standard Oil Company of California, Western Operations, Inc. in the Far West, Alaska and the Central Pacific; Standard Oil Company of Texas in Texas and New Mexico; The California Company in the Gulf Coast, Rockies and Mid-Continent; The California Oil Company on the Eastern Seaboard; Standard Oil Company of British Columbia Limited and The California Standard Company in Western Canada; American Bitumuls

& Asphalt Company and its subsidiaries in the United States and foreign countries; California Chemical Company and its subsidiaries in the United States and foreign areas; California Shipping Company throughout the Free World; the Compañía Petrolera California group of companies in Central America; Richmond Exploration Company in Venezuela; and California Exploration Company and other subsidiaries elsewhere in Latin America.

A complete list of subsidiaries, their functions and areas of interest appears on page 30.

Exploration and Production



Top left, survey crewman, *Alaska*; right, geologist, *Venezuela*; lower left, seismic explosions, *Arizona*; right, research paleontologist.

A gratifying development was the increase in sales of natural gas, emphasizing the growing importance of gas as a source of energy and Company income.

The Company had 9,922 oil and gas producing wells at the end of 1959, and was particularly active in accelerating its program of secondary recovery. At year's end, secondary recovery projects of major significance were under way in all of the Company's principal producing areas in the United States, Canada and Venezuela. Through this activity, millions of barrels of otherwise unrecoverable oil will ultimately be produced. A résumé of drilling operations follows:

Completions (including gas wells)	
Exploratory	28
Development	442
Dry Holes	
Exploratory	67
Development	77
Total wells drilled	614

Outstanding accomplishments in the fields of exploration and development are summarized by region:

Far Western United States

A significant new field discovery was made in central California. Other drilling resulted in extensions of previously established California fields.

Evaluation work was undertaken on the additional offshore leases acquired from the State of California in 1958. Meanwhile development continued on the Summerland, California, offshore lease, where an important discovery was made from a platform in 1958.

Results of the latter operation warranted construction of a second offshore platform to accelerate development of the lease. The giant structure, costing approximately \$3,000,000, will be floated into position about May and go into operation in late summer.

Production from both platforms will be piped to a tanker-loading terminal constructed nearby onshore during the year.

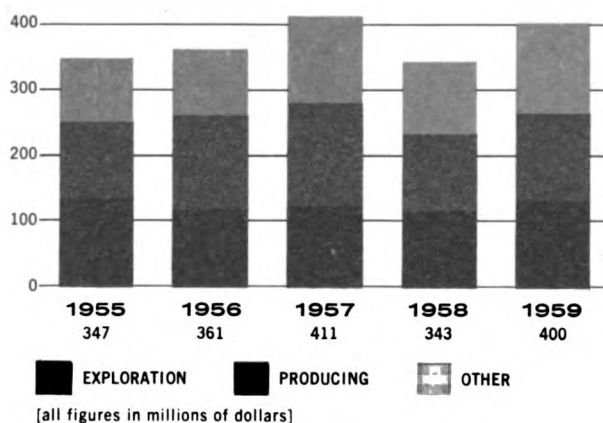
Two of the three principal California offshore leases are owned jointly with another oil company. The Company serves as operator and directly manages the day-to-day development of these properties.

The Company is also operator of a joint venture on Alaska's Kenai Peninsula, site of the new state's first commercial production. Careful evaluation of this promising prospect is continuing with five productive wells now completed.

Tentative plans for a pipe line system and a tanker terminal convenient to this field have been announced by the Company. The \$4,000,000 project is contingent on establishment of daily production and total reserves which would make the plan economically feasible. Current production, conducted primarily for test purposes, is being trucked a substantial distance to another terminal on the coast.

An exploratory well is now under way on a second jointly owned unit in Alaska, in an area adjoining the unit already under development. Additionally, the Company and a partner are carrying on evaluation of three offshore leases acquired in Cook Inlet.

CAPITAL AND EXPLORATORY EXPENDITURES





Gulf Coast, Rockies and Mid-Continent

Exploration and production offshore in the Gulf of Mexico continued to be of foremost interest in this area.

Development of new pools previously discovered in the offshore field at Bay Marchand, Louisiana, indicated that this field has the highest reserves of any domestic field in which the Company is represented.

Off the Texas coast in the Gulf, the Company brought in the first commercial offshore discovery on the outer continental shelf. It is located on Federal property 35 miles northeast of Galveston.

Noteworthy discoveries of oil and natural gas were made by the Company in the states of Louisiana (both on- and offshore), Texas, Mississippi, New Mexico, Utah and Wyoming. Exploratory studies continued in these states and in North Dakota and Florida.

A promising new field discovery was made in northeastern Utah. The Company has an advantageous land position in the vicinity of this find, which is on an Indian reservation some 20 miles from the nearest established production.

An exploratory well is being drilled on the Florida offshore lands jointly acquired in 1959 by the Company and another oil company.

The Gulf-Rockies-Mid-Continent area of operations accounted for 48 per cent of the Company's total Western Hemisphere production in 1959. Of this amount Gulf offshore leases produced 43,000 barrels daily, equivalent to 24 per cent of the industry's Gulf production.

Elsewhere in the Western Hemisphere

The Company drilled two oil and three gas discoveries in Western Canada during the year and made important additions to reserves in previously established fields. Crude oil production by the Company in this area increased 6 per cent.

Two natural gas processing plants, one wholly and the other partially owned, were completed, enabling the sale of increased quan-

Top left, snowmobile, used in production transport, Canada; right, drillers, barge discovery well Domoil No. 1, Trinidad; lower left, diamond coring bit, California; right, helicopter and producing platform, Louisiana.

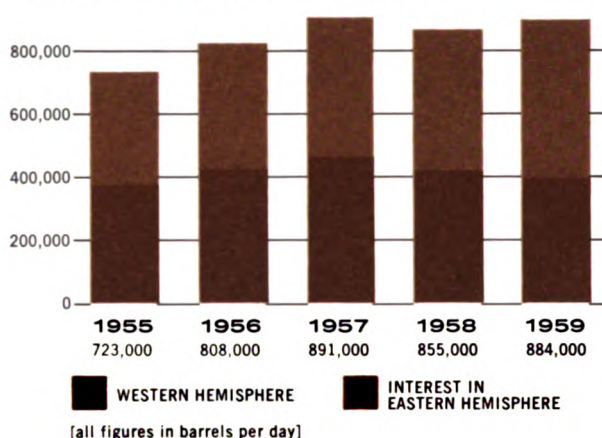
titles of gas from the Company's substantial Canadian reserves. This gas is only now beginning to flow to market. As higher volumes move to consumers, this activity should have a sizable and favorable impact on the Company's income from Canadian sources.

United States import controls forced curtailment of production in Venezuela, principally in the Boscan field, to 49,800 barrels daily from 75,200 barrels a day in 1958. As a result of this decline there was no development drilling in the field; the number of producible wells remains at 304.

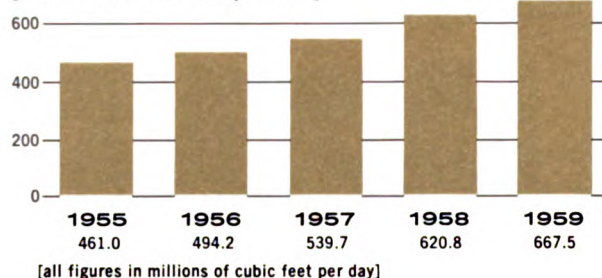
The Company continued exploratory efforts elsewhere in South America and in the Caribbean area, bringing in an offshore discovery in the vicinity of Trinidad. Three wells have been completed there and development drilling is continuing.

Other areas under examination are located in the Bahamas, Bolivia, British Guiana, Colombia, Ecuador, Guatemala and Peru. Operations in Cuba were suspended because of the onerous provisions of new petroleum legislation enacted by the present government.

GROSS CRUDE OIL AND NATURAL GAS LIQUIDS PRODUCTION



GROSS NATURAL GAS PRODUCTION [Western Hemisphere]

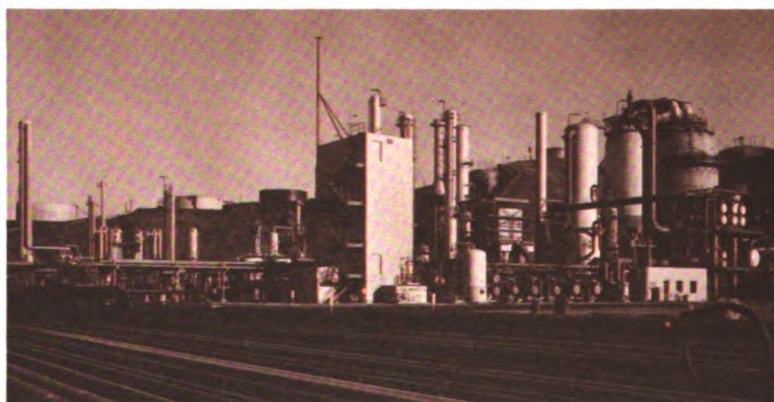
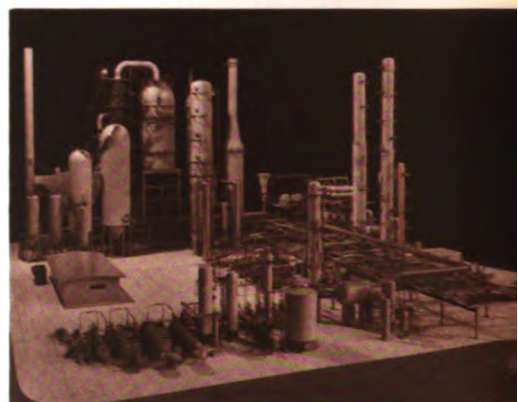


CRUDE OIL AND NATURAL GAS LIQUIDS PRODUCTION — (Barrels Per Day)

	<i>Gross</i>		<i>Net</i>	
	1959	1958	1959	1958
California	130,479	126,360	120,086	115,038
Texas-New Mexico	44,463	44,028	39,155	38,795
Louisiana-Mississippi	104,623	89,533	90,001	77,035
Colorado-Wyoming-Utah	41,024	42,299	35,852	36,959
Other States	2,518	1,784	2,210	1,558
Canada	24,550	23,082	21,545	20,298
South America-Caribbean	49,937	75,215	41,628	62,680
Total Western Hemisphere	397,594	402,301	350,477	352,363
Eastern Hemisphere*	486,416	452,591	479,933	445,989
Total World-Wide	884,010	854,892	830,410	798,352

*Proportion of operations in Eastern Hemisphere represented by the Company's stock interest in affiliates owned 50% or less and subsidiaries.

Manufacturing



Top left, control room, Vancouver; right, model, Hawaiian refinery; lower left, fluid cracking plant, Richmond; right, isocracker, Richmond.

The function of the manufacturing divisions of the Company is to refine the raw crude oil into hundreds of useful petroleum derivatives, ranging from highly volatile gasolines to near-solid asphalts. From a single process of distillation, the manufacture of these products has progressed in technical complexity until it now frequently entails basic reconstruction of the petroleum molecule itself.

The Company's manufacturing facilities are among the most modern and extensive in the industry. They are constantly being expanded and modernized to meet the growing requirements for more petroleum products of improved quality.

Principal Company refineries are at Richmond, El Segundo and Bakersfield, California; Salt Lake City, Utah; El Paso, Texas; Perth Amboy, New Jersey; and Vancouver, British Columbia.

In 1959 these and other of the Company's refining units in the Western Hemisphere processed an average of 504,300 barrels a day of crude oil.

A wholly owned refinery is under construction in the new state of Hawaii, some 20 miles from Honolulu. First units of this plant will be ready for operation in the fall of 1960. Plans for construction of additional units to increase the yield of high-value products were announced at the beginning of 1960, bringing the total investment anticipated to approximately \$60,000,000.

The entire facility is scheduled for completion early in 1962. The first modern oil refinery to go into operation in the Central Pacific, it is expected to make a significant contribution to the economy of the Hawaiian Islands and of the surrounding area.

Construction also continued on the new refinery at Saint John, New Brunswick, Canada, and first units are going on-stream early in 1960. This facility is being built in conjunction with the Irving interests, active marketers

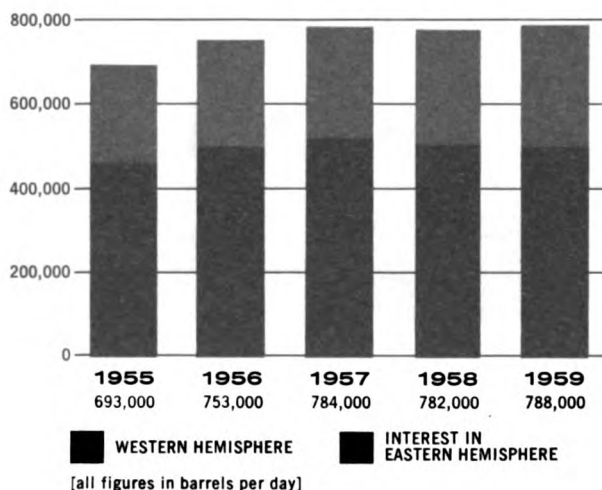
in Quebec and the Maritime Provinces for many years. Total investment involved in the project is approximately \$50,000,000.

A new fluid catalytic cracking unit, capable of processing 40,000 barrels daily of feed stock, was completed at the Richmond refinery during the year. This equipment is making a sizable addition to the Company's output of the high-octane gasolines being demanded in rapidly increasing quantities by modern, high-compression automobile engines.

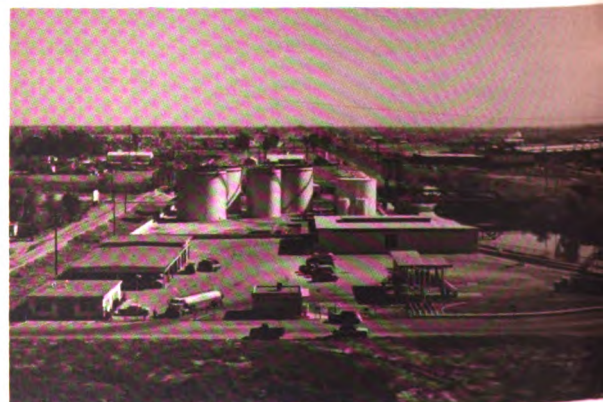
A new plant was begun at Richmond for the manufacture of maleic anhydride, a valuable petroleum chemical (see Chemicals section). The refinery's facilities for manufacturing phenol, another petroleum derivative widely employed in the chemical industry, were expanded further.

A major expansion was completed at the Perth Amboy, New Jersey, refinery. Also expanded was the refinery of American Gilsonite Company near Grand Junction, Colorado. The latter unit, which is owned 50 per cent by the Company, converts Gilsonite, an unusual solid hydrocarbon mined in Utah, into high-octane gasoline, diesel oils and high-grade coke which is utilized in the manufacture of aluminum and other light metals.

REFINERY RUNS OF CRUDE OIL



Marketing



Top left, fuel bunkering in San Francisco harbor; top right, Collona Roma Chevron station, San Salvador; lower left, Standard Stations, Inc., service station, California, with three grades of gasoline; lower right, wholesale bulk terminal, Stockton, Calif.

Sales of the Company in 1959 were maintained at near-record volumes despite the stiff competition which prevailed in all marketing operations. Domestic product prices were generally depressed by the excessive inventories that existed throughout the industry. While this situation has continued, prospects are for a better supply balance as the year 1960 progresses.

In the Far West, where the Company transacts a major proportion of its retail business, competitive pressures were intensified by the advent of a number of new gasoline retailers. These companies, attracted by the rapid economic and population growth of the region, are making a vigorous effort to expand in the market.

The Company continued to meet the challenge of competition through a program of improved products, facilities and sales methods.

During the year it introduced the first modern three-grade gasoline system in the West. In addition to the conventional premium and regular grades, it placed on sale a completely new CHEVRON CUSTOM SUPREME gasoline which has an octane rating higher than that of any competing gasoline in the area and is superior in over-all quality.

The three-grade system offers motorists a wide range of octanes tailored to meet requirements of all types, makes and ages of automobiles at minimum cost.

Substantial investments were made at various airports throughout the West to install underground fueling facilities for the new jet passenger airliners. These systems speed fueling of the planes and generally afford greater efficiency. Sales of jet fuels are increasing rapidly as the air lines convert more fully to jet operations.

Construction and modernization of service stations continued throughout the Company's marketing areas, with emphasis on the selection of sites strategically located to serve new arterial streets and highways and expanding communities. Products of the Company are

marketed through 14,200 stations in the United States, Western Canada and Central America.

On the Eastern Seaboard, The California Oil Company, a wholly owned subsidiary, completed conversion of its outlets to Chevron brand identity. Following an extensive advertising program, some 2,300 stations switched simultaneously from the old "Calso" to the Chevron brand, with a gratifying impact on gasoline sales.

Marketing position in both of the new states of Alaska and Hawaii is particularly well established. The Company pioneered petroleum sales and transportation in the two territories prior to the turn of the century and has been the leading oil supplier in both areas for many years.

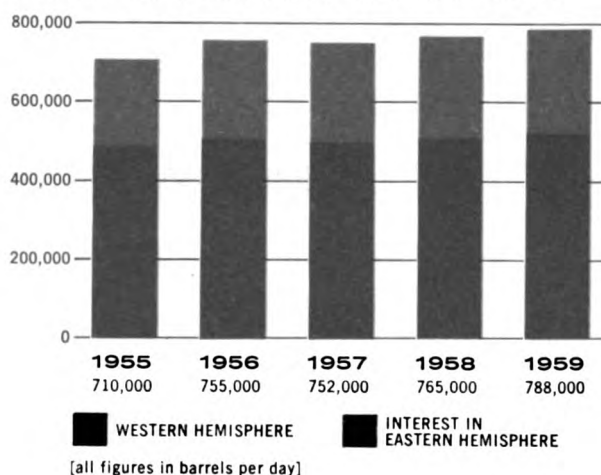
The Company in 1959 became the principal supplier of petroleum products in French Polynesia, serving the surrounding area from a plant located on the island of Tahiti.

Sales of emulsified industrial and paving asphalts, in which the Company has been an industry leader for many years, were again increased both domestically and in foreign countries.

In Eastern Canada, Irving Oil Company, Limited, an important marketer in which the Company has a substantial interest, continued to expand its sales during the year.

Subsidiaries operating in Central America added to their service station outlets and also converted from the "Calso" brand to Chevron identification.

SALES OF PETROLEUM PRODUCTS



Research and Chemical Products



Top left, *Nuclear Magnetic Logger in the field*; right, *boat hulls of petroleum-derived plastic*; lower left, *spraying nitrate fertilizer pellets on farm land*; right, *chemist, California Research Corporation, Richmond*.

RESEARCH

Research activities of the Company are carried on by a wholly owned subsidiary, California Research Corporation. It employs some 1,400 people who devote their full time to the development of new or improved products from petroleum, new methods of product manufacture, and new techniques for the discovery and production of crude oil reserves.

In addition, personnel of California Research are available to assist operating companies in the solution of their day-to-day technical problems or those of customers who utilize the Company's products.

The Company views research—both applied and fundamental—as prerequisite to the maintenance of a competitive position in the petroleum industry. Expenditures for research and technical services in 1959 reached \$19,900,000, an increase of 12 per cent over 1958.

Significant achievements in research during 1959 included the following:

Isocracking, a new refining process that makes possible conversion of low-grade petroleum fractions into gasolines of high octane rating, was perfected and placed in operation at Richmond refinery. The new technique, which also has important applications in petrochemicals manufacture, culminated several years of intensive research. It is being made available to the industry through royalty arrangements.

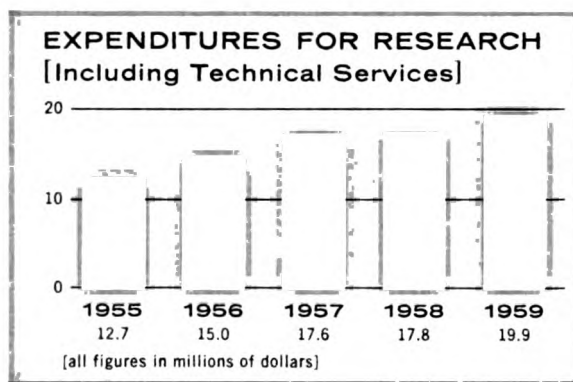
In the products field, significant progress was made in the study of engine knock and its control. Additionally, several new and improved detergent-action additives for fuels and lubricants were developed, as were a number of special-purpose automotive lubricants. A versatile new industrial grease was also developed to meet a wide range of heavy-duty applications.

Improvement was accomplished in the formulations of petroleum waxes used in the manufacture of milk cartons. Continuing research on asphalts led to compounding of new materials used for paving and building products.

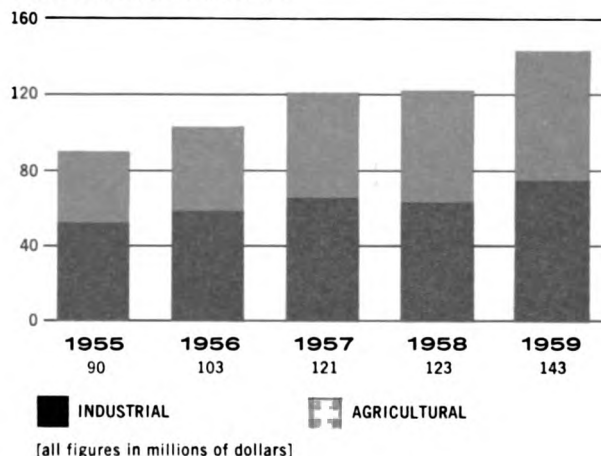
Laboratory studies resulted in development of a new synthetic detergent base which found commercial application in the manufacture of washing compounds. Other research is going ahead on new petrochemicals which show promise of valuable applications in plastics and fibers with a host of potential industrial and household uses.

Advances in exploration and production technology included new methods or tools employed in geophysical studies, and improved methods for producing oil from partially depleted fields.

Basic research by California Research scientists led to development of the Nuclear Magnetism Log, an unusually sensitive instrument which, when lowered into a well, transmits new information on the nature of the subsurface strata and fluids.



CHEMICAL SALES



CHEMICAL PRODUCTS

Among the fastest growing lines of business in which the Company engages is the manufacture and sale of chemical products. Sales of these products totaled \$143,000,000 in 1959. This business has been developed almost entirely in the postwar period and further rapid increase of the market is forecast.

California Chemical Company, a wholly owned subsidiary, is responsible for planning and co-ordinating the Company's expanding ventures in the chemicals field. It guides the policies and activities of three principal subsidiaries, whose functions are described below.

California Spray-Chemical Corporation — whose products are identified by the well-known ORTHO brand — is one of the foremost producers and marketers of agricultural chemicals in the United States. It is likewise active in foreign countries, through subsidiaries.

Primary objective of this subsidiary's operations in 1959 was to expand and strengthen the Company's domestic market position. Fertilizer sales in the West and merchandising of garden products nationally were emphasized.

A new fertilizer plant was completed in the Pacific Northwest during the year and began manufacture of ammonium nitrate for farm consumers. Two new products were developed, PHALTAN, a fungicide, and DIBROM, a pesticide.

Expansion of Calspray's foreign operations continued, with enlargement of marketing activities in Canada. Properties of a company in Costa Rica were acquired to provide broader representation in Central America.

Oronite Chemical Company is engaged in marketing chemicals used to manufacture end products such as plastics, paints, synthetic fibers, household detergents, plywood binders, sealing compounds and synthetic rubber. It also markets hydraulic fluids, lubricant additives, and odorant warning agents for natural gas.

The domestic market for these products was strong throughout the year and plants operated



Top left, *Richmond Long Wharf*; right, *scraper inserted in Salt Lake Products Pipe Line at Boise pump station*; bottom, *products barge and tug, Sacramento River*.

near capacity. Sales of these products increased 18 per cent over the 1958 results.

Customers of this subsidiary are supplied from plants located at the Company's refineries at Richmond and El Segundo, and from a plant at Oak Point, Louisiana. Construction of the maleic anhydride plant at Richmond will provide 20,000,000 pounds a year of this chemical, the first produced in the West. It finds important applications in manufacture of fiberglass plastics and durable paints and enamels.

Oronite is a partner in a number of manufacturing ventures in Western Europe, which is also a growth market for petrochemicals. An affiliate completed a plant in France during the year to provide lubricating oil additives in the Common Market area. Another plant now under construction in France will manufacture paraxylene, a chemical used in synthetic fibers.

California Chemical International, Inc. markets outside of the United States and Canada. It accounted for 25 per cent of Company sales of industrial chemicals in 1959.

TRANSPORTATION

Vessels flying the Chevron Hallmark flag sail virtually all of the oceans of the Free World, and a number of important inland waterways.

The Company in 1959 operated 27 sea-going tankers under direct ownership and 22 other vessels held under long-term charter.

Newest addition to the Company's fleet was the *S.S. George A. Davidson*, named for a Company director and vice-president. One of our largest carriers, it has a capacity of 325,000 barrels.

Also completed during the year was the *M.S. Alaska Standard*, which replaced its 35-year-old namesake. The new vessel, designed to operate in Alaska's coastal waters, has a cargo capacity of 18,400 barrels, substantially larger than that of its predecessor.

The *B.C. Standard*, a 6,000-barrel tankship, was acquired during the year to serve the growing markets of British Columbia.

EMPLOYEE RELATIONS

The operating and financial achievements of 1959 reflect the teamwork of some 38,390 employees who constitute the primary asset of the Company and its subsidiaries.

During the year specialized staff departments continued to plan and administer various programs covering the general areas of personnel, labor relations, organization, industrial health and executive development. These programs are designed to sustain high morale among present employees, and to maintain the Company's favorable position in competition for new employees who have above-average skill and career potential.

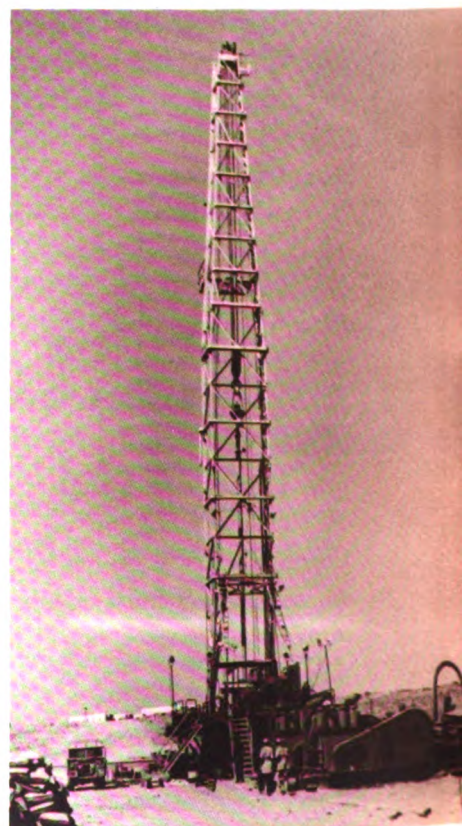
A broadened and intensified Program of Communications was also developed and implemented during the year to encourage effective exchange of information and ideas between management, stockholders, employees and the general public on matters of mutual interest.

Nearly 98 per cent of all eligible employees were participating in the Stock Plan in 1959. The 16,203 members are investing in the Plan at the rate of \$4,500,000 annually. These funds are combined with Company payments, and with dividends from stock already purchased, to buy Company stock on the open market.

At the end of 1959 the Stock Plan Trustee held 1,706,000 shares for the benefit of employee stockholders. An employee's interests in the Plan are held in trust for him during his career with the Company. Full benefits are paid to members who retire after age 60 or to beneficiaries of members who die in service.

Under its continuing Aids to Education Program, the Company awards scholarships, fellowships and research grants to leading colleges and universities. The Company also makes unrestricted grants to privately endowed colleges and universities, and carries on information programs to improve public understanding of the oil industry.

Eastern Hemisphere



Top, wildcat well, Saudi Arabia; left, Caltex station, Holland; center, Kurnell refinery, Australia; right, discovery well, Libya.

ARABIAN AMERICAN OIL COMPANY

Aramco's crude oil production again surpassed the record levels of previous years, averaging 1,095,400 barrels daily in 1959, compared with 1,015,000 in 1958.

The refinery at Ras Tanura processed an average of 174,300 barrels a day, against 168,100 barrels of throughput in 1958. Refinery operations continued below capacity as a result of the installation of new refining facilities in consuming countries.

Manufacture of aviation gasoline began at midyear, following construction of an alkylation plant at the refinery.

More than 65 per cent of Aramco's production of natural gas is now being utilized, either to repressure oil zones or as a local fuel. Sizeable volumes of gas are being reinjected at the Ain Dar gas injection plant which was completed during the year in the Ghawar field. This and other conservation projects are making possible highly efficient recoveries from Aramco's reserves, which are among the world's largest.

Two Saudi Arab Government officials were elected to Aramco's Board of Directors during the year. They are Shaikh Hafiz Wahba, Ambassador-at-large to the Arab world, and Shaikh Abdallah H. Tariki, Director General of Petroleum and Mineral Affairs.

Efforts are continuing to assist the economic and social betterment of the Saudi Arabs through technical training and home ownership programs. Encouraging progress is being made in developing independent local suppliers to provide services required by Aramco's operations.

The Company holds a 30 per cent interest in Aramco.

TRANS-ARABIAN PIPE LINE COMPANY

Tapline, now in its 10th year of operations, transported 338,000 barrels of crude oil daily

from Saudi Arabia to the terminus at Sidon, Lebanon, during 1959. This throughput compared with 367,900 barrels a day in 1958. Traffic continues below capacity because of the depressed charter rates for tankers, which operate in direct competition with the line.

The Company owns a 30 per cent interest in Tapline.

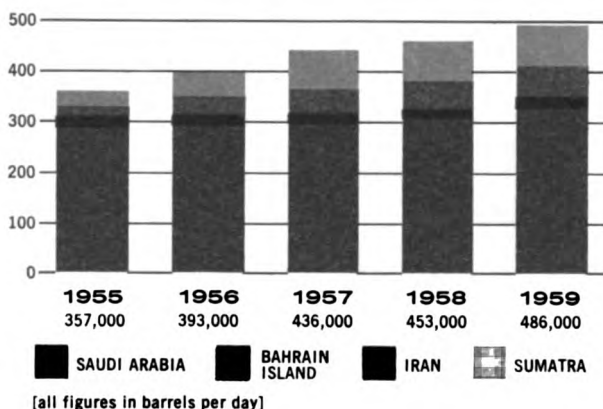
CALTEX

Activities of the Caltex Group of companies include exploration, production, manufacturing, transportation and marketing in more than 70 Eastern Hemisphere countries. The Caltex Group is owned 50 per cent by the Company.

Sales of crude and products by the Caltex Group in 1959 totaled 711,900 barrels daily, against 665,000 barrels a day in 1958. Refineries wholly or partially owned by Caltex companies processed 554,600 barrels daily of crude oil, compared with 513,200 barrels a day in the previous year.

During the year a new 40,000-barrel-a-day refinery in which Caltex has a 20 per cent interest was completed in Ireland. Additionally, arrangements were made for Caltex participation in new refineries to be constructed in France, Pakistan and Turkey.

INTEREST IN EASTERN HEMISPHERE GROSS CRUDE OIL PRODUCTION



Caltex companies today own or have an interest in 16 Eastern Hemisphere refineries located in Australia, The Philippines, Japan, India, Bahrain Island, Lebanon, France, Italy, Spain, The Netherlands and Ireland.

Construction continued on the 150,000-barrel-a-day Rotterdam-Ruhr pipe line, in which Caltex has a 20 per cent interest. Caltex also plans to participate in a South European pipe line which will supply crude oil to new refineries being built in France, and in Germany on the upper Rhine. This pipe line will be started early in 1960.

At the close of the year, Caltex companies owned a total of 64 tankers flying the flags of Great Britain, France, The Netherlands and Panama. An additional 58 vessels were being operated under charter.

Exploration continued in Bahrain, West Australia, France, Turkey, The Philippines, Libya, Indonesia and other Eastern Hemisphere countries. A significant discovery was made in Libya on a concession held by the Caltex parent companies.

Production of crude oil by Caltex increased in 1959 to an average of 211,800 barrels daily. This compared with 190,500 barrels daily in 1958.

Good relations continued with the Government of Indonesia, major source of Caltex production, although serious financial and political problems beset the nation in 1959.

The Company applied for concession permits in the French and Spanish Sahara, and

at the outset of 1960 was granted rights to a number of promising blocks of land in the latter area.

IRANCAL

Principal oil operations in Iran are carried on by the Oil Consortium which functions within an area of approximately 100,000 square miles in the southern part of the nation. The Company holds a 7 per cent interest in the Consortium through its wholly owned subsidiary, Iran California Oil Company.

Iranical's offtake of crude oil in 1959 was 51,700 barrels daily, compared with 52,800 barrels a day in 1958. The Company's proportion of refinery runs at the Abadan refinery was 19,200 barrels a day, against 19,300 barrels daily in the previous year.

The Consortium's exploratory program was continued in the concession area during 1959 and drilling operations proved one new field and extended several others, with resulting additions to reserves.

Construction was begun in October on the submarine portion of a 99-mile pipe line which will move crude oil from the Gach Saran field in southern Iran to a deep-water terminal on Kharg Island in the Persian Gulf. The 23-mile undersea portion of the line is the longest and deepest marine pipe line ever laid.

Both line and terminal are due for completion in the middle of 1960 and exports of oil from the terminal are scheduled to begin shortly thereafter.

Standard Oil Company of California

Consolidated Statement of Income

Revenues:

	1959	1958
Sales and other operating revenues (including excise taxes — See Notes)	\$1,794,695,496	\$1,773,081,543
Dividends from affiliated and other companies	106,960,722	124,992,107
Other income	7,407,428	4,374,710
	<u>1,909,063,646</u>	<u>1,902,448,360</u>

Costs and Other Deductions:

Costs of products sold and other operating expenses	1,188,518,641	1,182,342,124
Depreciation, depletion and amortization	141,062,664	145,890,940
Taxes (See Notes)	317,398,860	312,359,066
Interest and debt expense	7,720,894	4,097,411
Income applicable to minority interests	763,526	—
	<u>1,655,464,585</u>	<u>1,644,689,541</u>

<i>Net Income</i>	<u>\$ 253,599,061</u>	<u>\$ 257,758,819</u>
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Consolidated Statement of Earned Surplus

	1959	1958
<i>Balance at Beginning of Year</i>	\$1,193,389,045	\$1,062,078,998
<i>Net Income for Year</i>	253,599,061	257,758,819
<i>Credit Resulting from Consolidation of Subsidiaries</i> <i>Not Wholly Owned</i>	2,646,043	—
<i>Cash Dividends</i>	(126,448,772)	(126,448,772)
<i>Balance at End of Year</i>	<u>\$1,323,185,377</u>	<u>\$1,193,389,045</u>

Consolidated Balance Sheet at December 31

ASSETS

Current Assets:

	1959	1958
Cash	\$ 94,474,145	\$ 86,594,940
U. S. Government securities, at cost which approximates market	94,182,636	105,708,931
Accounts and notes receivable (less reserve of \$2,670,000 in 1959 and \$2,548,000 in 1958)	252,694,167	250,231,190
Inventories:		
Crude oil and products, at cost (on last-in, first-out basis), which is below market	149,652,220	166,152,883
Other merchandise, at cost	28,523,465	22,274,032
Materials and supplies, at or below cost	55,667,418	54,911,986
	675,194,051	685,873,962

Long-Term Receivables

(less reserve of \$270,000 in 1959 and 1958)	24,000,572	20,188,650
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Investments (At or Below Cost):

Companies operating in foreign countries	71,633,221	67,679,153
Companies operating in the United States	15,852,079	17,558,828

Properties, Plant and Equipment:

Classification	Gross Book Value	Depreciation, Depletion and Amortization Reserves	Net Book Value		
Producing	\$1,937,800,722	\$ 847,902,189	\$1,089,898,533		
Pipe Line	107,862,775	55,664,050	52,198,725		
Manufacturing	677,920,381	340,027,133	337,893,248		
Marine	122,614,158	49,812,572	72,801,586		
Marketing	260,717,167	101,484,743	159,232,424		
Motor Transport	27,376,943	15,528,473	11,848,470		
Other	50,661,543	15,802,625	34,858,918		
Total	\$3,184,953,689	\$1,426,221,785	\$1,758,731,904	1,758,731,904	1,629,329,300

Prepaid and Deferred Charges	32,883,969	30,439,508
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TOTAL ASSETS	\$2,578,295,796	\$2,451,069,401
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Standard Oil Company of California

LIABILITIES

Current Liabilities:

	1959	1958
Accounts payable	\$ 164,871,571	\$ 164,193,469
Current installments of long-term debt	4,126,773	1,705,120
Federal and other taxes based on income (estimated)	47,704,698	53,517,428
Other taxes payable	42,016,632	40,021,194
	<u>258,719,674</u>	<u>259,437,211</u>

Long-Term Debt:

Standard Oil Company of California:

4 $\frac{3}{8}$ % sinking fund debentures due July 1, 1983	150,000,000	150,000,000
Purchase obligation	—	985,652

Subsidiary Company:

Salt Lake Pipe Line Company 2.7% to 4.75% notes due in varying amounts to 1979	25,000,000	28,500,000
	<u>175,000,000</u>	<u>179,485,652</u>

<i>Reserves — General Insurance and Benefits</i>	23,922,650	21,936,262
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<i>Minority Interest in Subsidiaries Consolidated</i>	646,864	—
Total Liabilities	<u>458,289,188</u>	<u>460,859,125</u>

STOCKHOLDERS' EQUITY

<i>Capital Stock — \$6.25 par value</i>	395,152,412	395,152,412
Shares authorized	80,000,000	
Shares issued	63,224,386	

<i>Capital Surplus</i>	401,668,819	401,668,819
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<i>Earned Surplus</i>	1,323,185,377	1,193,389,045
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Total Stockholders' Equity	<u>2,120,006,608</u>	<u>1,990,210,276</u>
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TOTAL LIABILITIES AND EQUITY	<u>\$2,578,295,796</u>	<u>\$2,451,069,401</u>
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Notes to Financial Statements

Principles of Consolidation

The accounts of subsidiary companies over 50% owned and controlled are included in the consolidated financial statements for the year ended December 31, 1959, whereas prior to 1959 only the accounts of companies wholly owned were consolidated. This change had practically no effect on the comparability of the financial statements.

The Company's equity in the 1959 net income of affiliated companies owned approximately 50% or less operating in foreign countries exceeded dividends from them during the year by \$5,576,887, principally Eastern Hemisphere.

No provision has been made for foreign and domestic taxes which may be payable on future distributions from surplus of wholly owned subsidiaries and of companies not wholly owned.

Properties, Plant and Equipment

Properties, plant and equipment are carried at cost. Exploration expenditures resulting in the acquisition or retention of properties are capitalized, while the remainder is charged to operating expenses. Costs of undeveloped leaseholds are amortized at rates which are based upon past experience. Costs of wells capable of commercial production are capi-

talized, and costs of unproductive wells are charged to operating expenses.

Contingent Liabilities and Commitments

At December 31, 1959 the Company and its subsidiaries had contingent liabilities of \$52,088,151 as guarantor of notes of affiliated companies operating in foreign countries and \$24,176,216 as guarantor of notes of others. The Company and its subsidiaries have certain other contingent liabilities in respect of litigation, claims, renegotiation, commitments, taxes and as guarantor of contracts. Officials of the Company are of the opinion that such contingent liabilities will not result in any significant financial liability in relation to the net assets of the Company and its subsidiaries.

At December 31, 1959 the Company and its subsidiaries had long-term charters and leases, expiring more than three years from such date, covering tankers, service stations and office space. The charter hire and net rentals under such agreements are estimated to average approximately \$31,000,000 annually during the next three years.

Retirement Plans

The companies provide for their liabilities under retirement plans by deposits with trustees and insurance companies.

Taxes

	1959	1958
Excise taxes on petroleum products and merchandise	\$229,868,369	\$213,921,676
Federal and other taxes based on income (estimated)	26,600,000	39,600,000
Property and other taxes	60,930,491	58,837,390
Total	<u>\$317,398,860</u>	<u>\$312,359,066</u>

Taxes and sales and other operating revenues have been restated for 1958 to include excise taxes; such restatement had no effect on net income.

Report of Independent Public Accountants

To the Board of Directors of

Standard Oil Company of California:

In our opinion, the accompanying consolidated balance sheet and the related statements of income and earned surplus, together with the notes thereto, present fairly the consolidated financial position of Standard Oil Company of California and subsidiary companies at December 31, 1959 and the results of their operations for the year, in conformity with generally accepted accounting principles. These principles have been applied on a basis consistent with that of the preceding year, except for the change, which we approve, indicated in the note relating to principles of consolidation. Our examination of these statements was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

San Francisco, March 9, 1960

Ten Years of Financial and Operating

		1959	1958	1957
Annual Data				
Financial	Net Income	\$ 253,599,000	\$ 257,759,000	\$ 288,230,000
	Per Share (On 63,224,386 shares at Dec. 31, 1959)	\$ 4.01	\$ 4.08	\$ 4.56
	Dividends	\$ 126,449,000	\$ 126,449,000	\$ 120,122,000
	Stock (In year declared) and Stock Splits			
	Cash Per Share — (On shares outstanding during the year)	\$ 2.00	\$ 2.00	\$ 1.90
	— (On 63,224,386 shares at Dec. 31, 1959)	\$ 2.00	\$ 2.00	\$ 1.90
	Sales and Other Operating Revenues (Including Excise Taxes)	\$1,794,695,000	\$1,773,082,000	\$1,861,772,000
	Depreciation, Depletion and Amortization	\$ 141,063,000	\$ 145,891,000	\$ 148,996,000
	Year-End Data			
	Total Assets	\$2,578,296,000	\$2,451,069,000	\$2,246,296,000
Operating	Liabilities	\$ 458,289,000	\$ 460,859,000	\$ 387,396,000
	Stockholders' Equity — at Book Value	\$2,120,007,000	\$1,990,210,000	\$1,858,900,000
	Working Capital (Net Current Assets)	\$ 416,474,000	\$ 426,437,000	\$ 297,224,000
	Properties, Plant and Equipment (Net)	\$1,758,732,000	\$1,629,329,000	\$1,537,534,000
	Number of Stockholders	159,707	152,754	148,315
	Number of Shares Outstanding	63,224,386	63,224,386	63,224,386
	Foreign Affiliates (Principally Eastern Hemisphere) #			
	Excess of Company's Equity in Net Income for Year Over Dividends Received	\$ 5,577,000	\$ (4,160,000)	\$ 48,132,000
	Excess of Company's Equity in Net Assets at Book Value Over Investment on Company's Books	\$ 450,989,000	\$ 447,825,000	\$ 451,912,000
	Operating			
WESTERN HEMISPHERE	Gross Production of Crude Oil and Natural Gas Liquids (Barrels)	145,122,000	146,840,000	166,091,000
	Net Production of Crude Oil and Natural Gas Liquids (Barrels)	127,924,000	128,612,000	145,535,000
	Purchases of Crude Oil, Excluding Royalty (Barrels)	128,671,000	137,522,000	143,095,000
	Refinery Runs of Crude Oil (Barrels)	184,079,000	185,787,000	189,282,000
	Sales of Petroleum Products (Barrels)	194,000,000	187,482,000	182,986,000
	Sales of Crude Oil (Barrels)	87,767,000	88,218,000	107,131,000
	Sales of Natural Gas (1,000 Cu. Ft.)	176,636,000	163,298,000	122,698,000
	Inventories of Crude Oil and Products (Barrels)	60,061,000	71,045,000	65,301,000
	Number of Wells Drilled† — Oil and Gas	470	537	792
	Dry	144	109	176
EASTERN HEMISPHERE*	Producing Oil and Gas Wells†	9,922	9,533	9,568
	Producing and Prospective Acreage (Net)—United States	10,775,000	11,375,000	11,588,000
	Foreign	60,771,000	51,888,000	36,844,000
	Number of Employees	38,390	38,395	40,121
	Gross Production of Crude Oil (Barrels)	177,542,000	165,196,000	159,152,000
	Refinery Runs of Crude Oil (Barrels)	103,710,000	99,545,000	96,865,000
	Sales of Petroleum Products (Barrels)	93,564,000	91,788,000	91,458,000
	Gross Production of Crude Oil and Natural Gas Liquids (Barrels)	322,664,000	312,036,000	325,243,000
	Refinery Runs of Crude Oil (Barrels)	287,789,000	285,332,000	286,147,000
	Sales of Petroleum Products (Barrels)	287,564,000	279,270,000	274,444,000
TOTAL WORLD-WIDE				

*Companies over 50% owned and controlled for 1959; companies 100% owned for prior years.

#Companies owned approximately 50% or less for 1959; companies owned less than 100% for prior years.

*Proportion of operations in Eastern Hemisphere represented by the Company's stock interest in affiliates and subsidiaries.

Standard Oil Company of California and Consolidated Subsidiaries*

1956	1955	1954	1953	1952	1951	1950
267,891,000	\$ 231,139,000	\$ 211,872,000	\$ 189,453,000	\$ 174,030,000	\$ 173,341,000	\$ 150,804,000
4.24	\$ 3.66	\$ 3.35	\$ 3.00	\$ 2.75	\$ 2.74	\$ 2.39
104,320,000	\$ 90,321,000	\$ 87,064,000	\$ 86,020,000	\$ 86,020,000	\$ 74,532,000	\$ 71,620,000
2 for 1 split	5%	5%			2 for 1 split	
1.65	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 2.60	\$ 5.00
1.65	\$ 1.43	\$ 1.38	\$ 1.36	\$ 1.36	\$ 1.18	\$ 1.13
\$1,645,981,000	\$1,448,868,000	\$1,271,741,000	\$1,225,214,000	\$1,148,747,000	\$1,092,017,000	\$ 918,333,000
\$ 145,557,000	\$ 138,395,000	\$ 118,768,000	\$ 108,115,000	\$ 98,944,000	\$ 86,764,000	\$ 75,266,000
\$2,041,373,000	\$1,855,610,000	\$1,677,849,000	\$1,535,184,000	\$1,407,198,000	\$1,365,574,000	\$1,232,953,000
\$ 350,581,000	\$ 328,389,000	\$ 291,446,000	\$ 273,589,000	\$ 249,037,000	\$ 295,424,000	\$ 261,612,000
\$1,690,792,000	\$1,527,221,000	\$1,386,403,000	\$1,261,595,000	\$1,158,161,000	\$1,070,150,000	\$ 971,341,000
\$ 308,584,000	\$ 283,228,000	\$ 282,224,000	\$ 273,240,000	\$ 235,136,000	\$ 227,861,000	\$ 189,925,000
\$1,394,070,000	\$1,270,320,000	\$1,137,856,000	\$1,037,659,000	\$ 977,159,000	\$ 903,493,000	\$ 852,476,000
137,381	119,793	114,607	112,269	109,749	104,857	98,605
63,224,386	31,612,193	30,106,851	28,673,192	28,673,192	28,673,192	14,336,596
\$ 10,978,000	\$ 21,341,000	\$ 9,353,000	\$ 48,637,000	\$ 48,886,000	\$ 43,576,000	\$ 15,710,000
\$ 417,624,000	\$ 406,729,000	\$ 385,390,000	\$ 376,036,000	\$ 327,397,000	\$ 278,500,000	\$ 231,720,000
152,013,000	133,534,000	122,758,000	123,326,000	123,427,000	119,759,000	113,381,000
133,816,000	117,719,000	108,222,000	109,564,000	110,090,000	107,451,000	101,463,000
125,084,000	114,717,000	97,816,000	106,668,000	100,426,000	92,052,000	71,071,000
184,525,000	168,698,000	157,070,000	163,011,000	149,395,000	138,515,000	110,457,000
187,353,000	179,804,000	158,340,000	157,947,000	155,389,000	147,941,000	132,016,000
87,305,000	69,817,000	54,029,000	59,798,000	65,277,000	62,455,000	56,424,000
108,354,000	113,252,000	98,858,000	83,859,000	81,491,000	87,403,000	113,834,000
48,999,000	48,980,000	53,583,000	48,169,000	37,343,000	33,166,000	31,791,000
811	705	547	456	516	460	421
162	117	125	113	173	103	67
9,336	8,634	8,288	7,955	7,190	6,907	6,498
10,986,000	10,707,000	7,034,000	8,192,000	9,162,000	7,670,000	4,032,000
35,115,000	31,096,000	27,261,000	24,667,000	21,958,000	12,003,000	6,457,000
38,854	36,369	35,354	34,940	34,753	32,339	30,671
143,896,000	130,484,000	118,834,000	105,862,000	98,969,000	89,061,000	65,547,000
91,132,000	84,068,000	80,894,000	73,631,000	65,654,000	60,182,000	45,762,000
88,996,000	79,244,000	74,309,000	69,356,000	61,887,000	55,503,000	42,830,000
295,909,000	264,018,000	241,592,000	229,188,000	222,396,000	208,820,000	178,928,000
275,657,000	252,766,000	237,964,000	236,642,000	215,049,000	198,697,000	156,219,000
276,349,000	259,048,000	232,649,000	227,303,000	217,276,000	203,444,000	174,846,000

* On basis of Company's net interest in all wells in which it has an equity.

† \$1.50 on 31,612,193 shares before 2 for 1 stock split and \$.90 on 63,224,386 shares after split.

Standard Oil Company of California and Subsidiary and Affiliated Companies

FIGURES IN PARENTHESES ARE COMPANY VOTING INTEREST (%)

PRINCIPAL AREAS OF OPERATION

United States	STANDARD OIL COMPANY OF CALIFORNIA	Exploration, Producing Transporting, Refining and Marketing	California, Washington, Oregon, Arizona, Nevada, Idaho, Utah, Alaska and Hawaii
	STANDARD OIL COMPANY OF CALIFORNIA, WESTERN OPERATIONS, INC. (100)	Management Company	
	AMERICAN BITUMULS & ASPHALT COMPANY (100)	Refining and Marketing Asphalts and Asphalt Emulsions	
	CALIFORNIA CHEMICAL COMPANY (100)	Chemical Management	
	CALIFORNIA SPRAY-CHEMICAL CORPORATION (100)	Agricultural Chemicals	
	ORONITE CHEMICAL COMPANY (100)	Industrial Chemicals	
	CALIFORNIA COMMERCIAL COMPANY, INC. (100)	Service Company	
	CALIFORNIA RESEARCH CORPORATION (100)	Research and Development	
	CALIFORNIA SHIPPING COMPANY (100)	Marine Transportation Management	
	CALIFORNIA TANKER COMPANY (100)	Marine Transportation	
	CHEVRON OIL COMPANY (100)	Geophysical Surveys	
	LOMITA GASOLINE COMPANY (100)	Natural Gasoline	
	PACIFIC OIL COMPANY (100)	Shale Lands	
	PASOTEX PETROLEUM COMPANY (100)	Exploration, Producing and Marketing	
	PASOTEX PIPE LINE COMPANY (100)	Oil Transportation	
	SALT LAKE PIPE LINE COMPANY (100)	Oil Transportation	
	SALT LAKE REFINING COMPANY (100)	Refining	
	STANDARD OIL COMPANY OF TEXAS (100)	Exploration, Producing Refining and Marketing	
	STANDARD PIPE LINE COMPANY (100)	Oil Transportation	
	STANDARD STATIONS, INC. (100)	Service Station Operation	
	THE CALIFORNIA COMPANY (100)	Exploration, Producing and Marketing	
Canada	THE CALIFORNIA OIL COMPANY (100)	Refining and Marketing	United States and Puerto Rico
	HUNTINGTON BEACH COMPANY (63.64)	Oil Royalties and Land	
	AMERICAN GILSONITE COMPANY (50)	Producing and Refining Gilsonite	
Central and South America	CANADIAN BITUMULS COMPANY LIMITED (99.87)	Asphalt Emulsions	United States and Foreign
	STANDARD OIL COMPANY OF BRITISH COLUMBIA LIMITED (100)	Refining and Marketing	
	THE CALIFORNIA STANDARD COMPANY (100)	Exploration and Producing	
	IRVING OIL COMPANY, LIMITED*	Marketing	
	IRVING REFINING LIMITED*	Refining	
Caribbean Area	ASFALTOS CALIFORNIA S. A. (99.99)	Asphalt Products	United States and Foreign
	BOLIVIA CALIFORNIA PETROLEUM COMPANY (100)	Exploration	
	CALIFORNIA ECUADOR PETROLEUM COMPANY (100)	Exploration	
	CALIFORNIA EXPLORATION COMPANY (100)	Exploration Investigations	
	CALIFORNIA OIL COMPANY (BRITISH GUIANA) LIMITED (100)	Exploration	
Middle East	COMPANIA COMERCIAL CALIFORNIA, S. A. (96)	Service and Marketing	United States and Foreign
	COMPANIA GUATEMALA CALIFORNIA DE PETROLEO (100)	Exploration	
	COMPANIA PETROLERA CALIFORNIA COMPANIES (100)	Marketing	
	RICHMOND EXPLORATION COMPANY (100)	Exploration, Producing and Refining	
	RICHMOND OIL COMPANY (100)	Exploration	
Other Foreign Areas	RICHMOND PETROLEUM COMPANY OF COLOMBIA (100)	Exploration	United States and Foreign
	BAHAMA CALIFORNIA OIL COMPANY (100)	Exploration	
	BAHAMA CALIFORNIA OIL COMPANY LIMITED (100)	Exploration	
	CUBA CALIFORNIA OIL COMPANY (100)	Exploration	
	DOMINION OIL LIMITED (100)	Exploration and Producing	
Other Foreign Areas	ARABIAN AMERICAN OIL COMPANY (30)	Exploration, Producing and Refining	United States and Foreign
	TRANS-ARABIAN PIPE LINE COMPANY (30)	Oil Transportation	
	IRAN CALIFORNIA OIL COMPANY (100) . Owns 7% Interest in Iranian Oil Operations		
	CALIFORNIA ASIATIC OIL COMPANY (100)	Exploration, Producing and Marketing	
	CALIFORNIA CHEMICAL INTERNATIONAL, INC. (100)	Industrial Chemicals	
Other Foreign Areas	CALIFORNIA CRUDE SALES COMPANY (100)	Crude Marketing	United States and Foreign
	CALIFORNIA TRANSPORT CORPORATION (100)	Marine Transportation and Marketing	
	CALIFORNIA SPRAY CHEMICAL COMPAGNIE FRANCAISE S. A. (98.11)		
	INTERNATIONAL BITUMEN EMULSIONS CORPORATION (100)	Agricultural Chemicals Asphalt Emulsions	
	CALTEX GROUP OF COMPANIES (50)	Exploration, Producing, Refining Marine Transportation and Marketing	

*Companies owned jointly with the Irving interests.

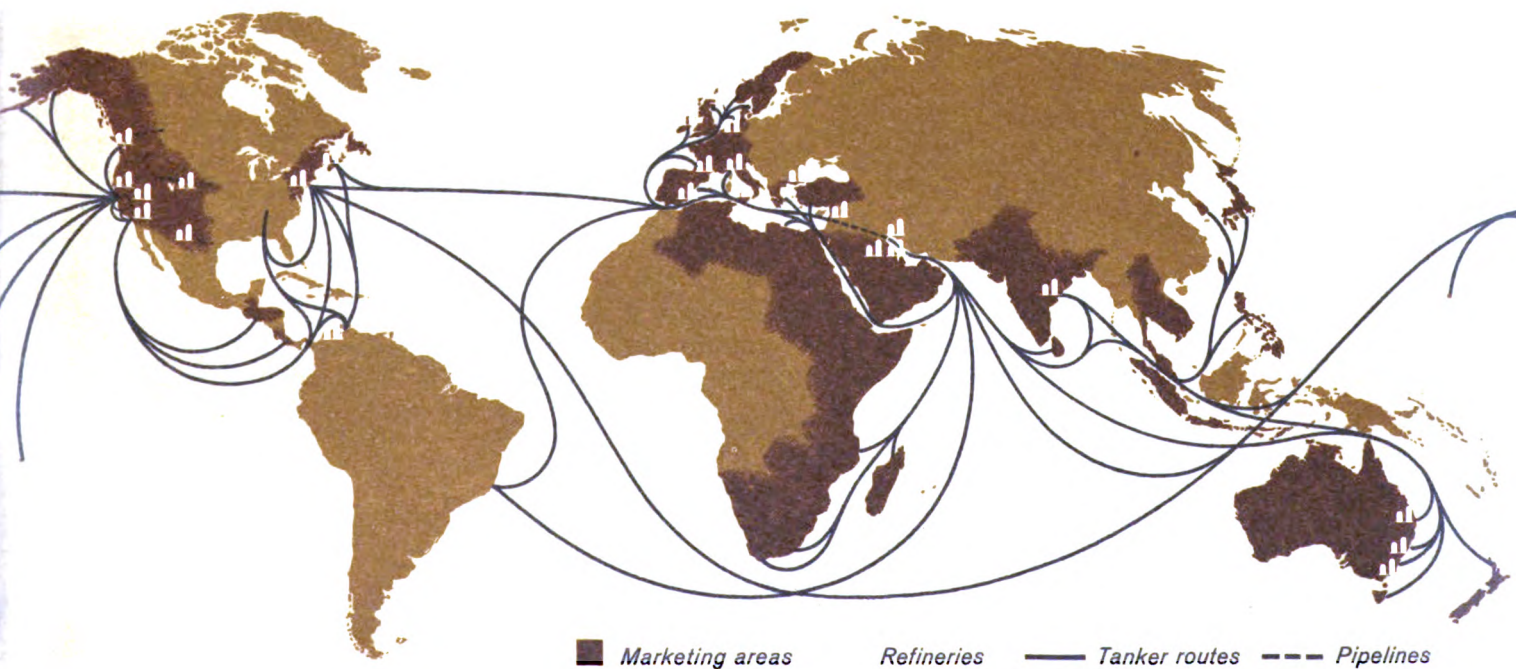
EXPLORATION AND PRODUCTION

STANDARD OIL COMPANY OF CALIFORNIA, SUBSIDIARIES AND AFFILIATES



MARKETING, REFINING AND TRANSPORTATION

STANDARD OIL COMPANY OF CALIFORNIA, SUBSIDIARIES AND AFFILIATES



ORONITE CHEMICAL CO. * CALIFORNIA CHEMICAL INTERNATIONAL, INC. * CALIFORNIA SPRAY-CHEMICAL CORP.

 **Manufacturing Plant**

REGISTRARS: Crocker-Anglo National Bank, 1 Sansome Street, San Francisco 20, California; The First National City Bank of New York, 2 Wall Street, New York 15, N. Y.; National Trust Company, Limited, Burrard at Pender, Vancouver, Canada.

